Housing and Urban Affairs

HOUSING BULLETIN
MONTHLY REPORT

VOLUME 1, ISSUE 5 NOVEMBER 2008

In This Issue

- Overview
- Highlights

Housing Market Trends

- Housing Starts
- Resale Market
- Total Number of Homes on the Market
- Average Vacancy Rates
- Average Rental Market Rates

Prepared by:
Policy and Urban Affairs Division.

For more information or obtaining hard copies of the Housing Bulletin, please contact Cynthia Evans, Director, Organizational Planning and Effectiveness, at 780-422-8306.

Acknowledgments

The data for this report is collected through various sources such as the Canada Housing and Mortgage Corporation (CMHC), Statistics Canada, the Alberta Real Estate Association, the Calgary Real Estate Board, the Realtors Association of Edmonton, and various provincial government Departments.

Next Step

Our goal is to continue to share important information on a monthly basis on the housing market trends.

OVERVIEW

Welcome to the Housing and Urban Affairs' (HUA) Housing Bulletin. This marks our fifth issue of the monthly report, launched in June 2008. The report covers the latest housing market trends.

Total housing starts in the Calgary Census Metropolitan Area (CMA), declined 26 percent from 776 units in November 2007 to 575 units in November 2008. January to the end of November 2007, total housing starts amounted to 11,035, down 15 percent from the same period in 2007.

According to the Calgary Real Estate Board, the average house price listed on the Multiple Listing Services (MLS) in Calgary in November 2008 was $435,471, compared to $462,134 in November 2007, down 5.8 percent.

Housing starts in the Edmonton CMA, totaled 279 units in November 2008, down 74 percent, compared to November 2007. On a year-to-date basis, total housing starts have declined by 56 percent from last November 2007.

According to the Realtors Association of Edmonton, the average house price listed on the MLS in Edmonton in November 2008 was $362,757, compared to $376,267 in November 2007, down 3.6 percent.

Highlights

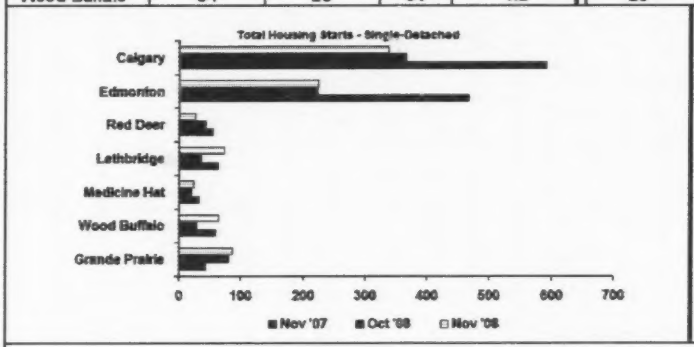
- According to the results of Canada Mortgage and Housing Corporation's (CMHC) Fall 2008-Rental Market Report, the vacancy rates in private rental apartments in Alberta's centres with a population of at least 10,000 people was 2.5 percent in October 2008, up 1.0 percent from October 2007.
- The overall average rent in Alberta was $975 in October 2008, up from $913, as reported in the October 2007 survey. The full report can be accessed by clicking here.
- The latest count of homeless people in Edmonton, which took place on October 21, 2008, revealed that 3,079 people were homeless in Edmonton. This is an 18 percent, or 461 people in total increase, over the 2006 figures.
- **The full report is available: A Count of Homeless Persons in Edmonton 2008**

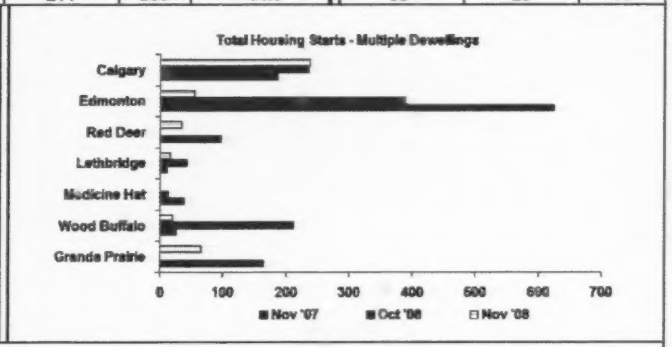
Housing Bulletin is now available for download from the ministry's internet site at http://www.housing.alberta.ca/

HOUSING MARKET TRENDS

HOUSING STARTS – Across Alberta, total housing starts in the seven largest cities declined by 49 percent, from 2,453 units in November 2007 to 1,264 units in 2008. Increased activity in Wood Buffalo and Lethbridge was offset by fewer starts reported in Calgary, Edmonton, Grande Prairie, Medicine Hat and Red Deer.

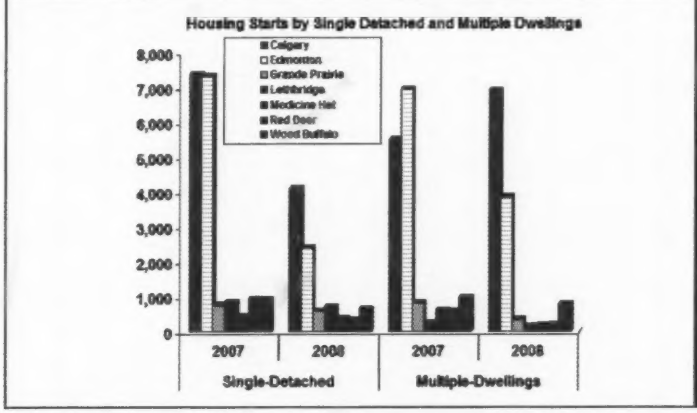
	November 2008				October 2008				November 2007		
Location	Single-Detached [1]	Multiple Dwellings [2]	*Total*	% Change Nov '07-Nov '08	Single-Detached [1]	Multiple Dwellings [2]	*Total*	% Change Oct '08-Nov'08	Single-Detached [1]	Multiple Dwellings [2]	*Total*
Calgary	338	237	*575*	-25.9	365	234	*599*	-4.0	591	185	776
Edmonton	224	55	*279*	-74.4	223	389	*612*	-54.4	466	625	1,091
Grande Prairie	86	65	*151*	-27.4	80	0	*80*	88.8	43	165	208
Lethbridge	73	16	*89*	21.9	36	42	*78*	14.1	63	10	73
Medicine Hat	24	0	*24*	-65.7	20	12	*32*	-25.0	32	38	70
Red Deer	27	35	*62*	-59.2	42	0	*42*	47.6	55	97	152
Wood Buffalo	64	20	*84*	1.2	28	211	*239*	-64.9	58	25	83

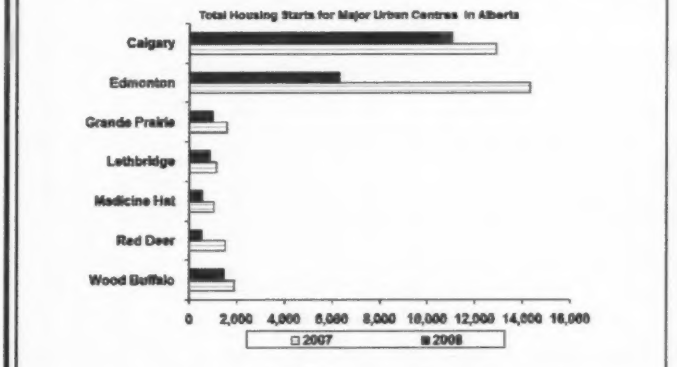




January to November 2008

	Single-Detached			Multiple Dwellings			Total		
	2008	2007	% Change	2008	2007	% Change	2008	2007	% Change
Calgary	4,104	7,385	-44.4	6,931	5,519	25.6	11,035	12,904	-14.5
Edmonton	2,419	7,337	-67.0	3,872	6,973	-44.5	6,291	14,310	-56.0
Grande Prairie	604	765	-21.0	357	829	-56.9	961	1,594	-39.7
Lethbridge	718	855	-16.0	147	271	-45.8	865	1,126	-23.2
Medicine Hat	383	435	-12.0	187	612	-69.4	570	1,047	-45.6
Red Deer	325	928	-65.0	205	582	-64.8	530	1,510	-64.9
Wood Buffalo	646	918	-29.6	809	972	-16.8	1,455	1,890	-23.0





[1] **"Single-Detached"** dwelling (also referred to as "Single") is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

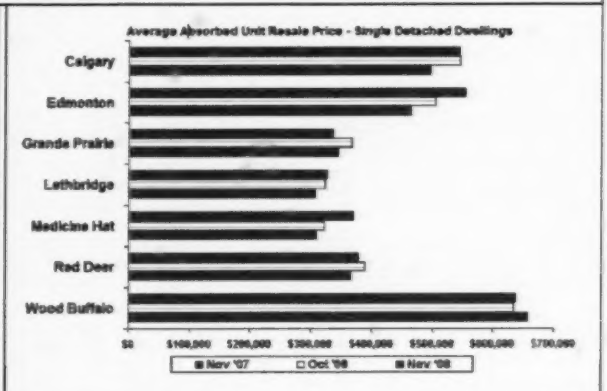
[2] The term **"Multiple "** dwelling includes all other types of dwellings, i.e., Semi-detached (also referred as semi) is one of two dwellings located side-by-side in a building with no other structure, Row (Townhouse), Apartment and other commonly known as stacked townhouses, duplexes, triplexes, double, duplexes and row duplexes.

Source: Housing Information Monthly – Canada Mortgage and Housing Corporation (CMHC).

SLOW DOWN OF RESALE HOUSING MARKET CONTINUES – Alberta's housing market continues to correct itself from the 2006 'bubble', with a decline in housing starts.

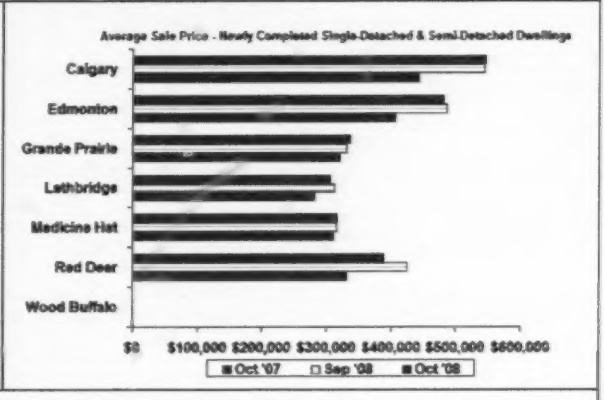
Average Absorbed* Unit Resale Price – Single-Detached Dwellings

Location	November '08	October '08	% Change Oct '08-Nov '08	November '07	% Change Nov '07-Nov '08
Calgary	$544,398	$544,745	-0.1	$497,064	9.5
Edmonton	$553,772	$505,112	9.6	$464,544	19.2
Grande Prairie	$336,645	$367,286	-8.3	$334,510	0.6
Lethbridge	$326,053	$323,510	0.8	$306,349	6.4
Medicine Hat	$369,615	$322,255	14.7	$307,723	20.1
Red Deer	$378,207	$389,288	-2.8	$365,861	3.4
Wood Buffalo	$636,881	$635,141	0.3	$657,030	-3.1



Average Sale Price – Newly Completed Single-Detached & Semi-Detached Dwellings

Location	October '08	September '08	% Change Sep '08-Oct '08	October '07	% Change Oct '07-Oct '08
Calgary	$545,910	$544,643	0.2	$443,062	23.2
Edmonton	$480,625	$485,365	-1.0	$405,218	18.6
Grande Prairie	$336,411	$330,759	1.7	$320,429	5.0
Lethbridge	$305,804	$312,376	-2.1	$281,364	8.7
Medicine Hat	$316,106	$316,579	-0.1	$310,868	1.7
Red Deer	$387,897	$425,233	-8.8	$331,768	16.9
Wood Buffalo	N/A	N/A	N/A	N/A	N/A



Did You Know...

- The average house price listed on the Multiple Listing Services (MLS) in Alberta in November 2008 was $338,354, compared to $353,125 in November 2007, down 4.2 percent.
- The average residential price reported by the Fort McMurray Real Estate Board was the highest in the province, at $678,900 while the average price reported by the Brooks Real Estate Board was the lowest at $206,400.
- In Edmonton, 2,036 homes were listed during November 2008, with 891 being sold, resulting in a sales-to-listing ratio of 44 percent. Total MLS sales (including commercial, industrial and residential) was $319 million in November 2008, a drop of $144 million from November 2007.
- According to Canada Mortgage and Housing Corporation's Fall 2008-Rental Market report, the lowest two-bedroom rents in the province were reported in Medicine Hat at $678 per month and in the Sylvan Lake region at $695.

TOTAL NUMBER OF HOMES ON THE MARKET

Number of Homes on the Market

Did You Know...

- According to the Alberta Real Estate Association, a total of 2,744 residential units were sold province wide in November 2008, compared to 4,193 in November 2007.
- In Calgary, the average number of days a listing on the market was 53 in November 2008 as compared to 45 days in November 2007.
- In Edmonton, the average number of days a listing on the market was 63 in November 2008 versus 51 days in November 2007.
- According to the Canadian Real Estate Association, the World Economic Forum measured Canadian Banks as the soundest banks in the world.

*A dwelling is defined as 'Absorbed' when a binding, non-conditional agreement is made to buy or rent the dwelling.

Source: Housing Information Monthly – Canada Mortgage and Housing Corporation (CMHC)
Preliminary Housing Start Data – Canada Mortgage and Housing Corporation (CMHC)
Fan Qin, Market Research Assistant - Canada Mortgage and Housing Corporation (CMHC)
Alberta Real Estate Association

CALGARY HOUSING MARKET – According to the figures released by the Calgary Real Estate Board, Multiple Listing Service (MLS) sales activities showed a seasonal slowdown. However, this slowdown is somewhat magnified due to decrease in consumer confidence and uncertainty in the financial market which is affecting real estate.

Average Resale Price – Single-Detached Dwellings							Average Resale Price – Condominium						
November '08	October '08	% Change Oct '08 - Nov'08	November '07	% Change Nov '07 - Nov '08	Average Days on the Market Nov '08	Month End Inventory Nov '08	November '08	October '08	% Change Oct '08 - Nov '08	November '07	% Change Nov '07 - Nov'08	Average Days on the Market Nov '08	Month End Inventory Nov '08
$435,471	$449,100	-3.0	$462,134	-5.8	55	5,083	$285,820	$289,148	-1.2	312,710	–8.6	51	2,399

EDMONTON HOUSING MARKET – According to the Realtors Association of Edmonton, the number of residential sales during the month of November 2008 dropped to levels not seen since 1998. The average price of a single family home in the Edmonton area remained stable while condo prices declined for the second consecutive month.

Average Resale Price – Single Family Dwellings (SFD)					Average Resale Price – Condominium						
November '08	October '08	% Change Oct '08 - Nov '08	November '07	% Change Nov '07 - Nov '08	November '08	October '08	% Change Oct '08 - Nov '08	November '07	% Change Nov '07 - Nov '08	Average Days on the Market Nov '08 (both SFD and Condo)	Month End Inventory Nov '08 (includes SFD, Condo, Duplex, and Mobile homes)
$362,757	$363,274	-0.14	$376,267	-3.6	$231,531	$237,590	-2.6	$252,277	-8.2	63	8,015

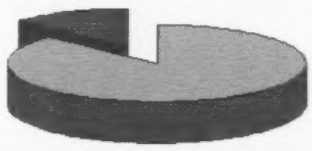
ACCORDING TO THE ALBERTA REAL ESTATE BOARD, a total of 52,578 residential units were sold province-wide from January to the end of November 2008, a decrease of 37 percent, compared to November 2007.

Location	Average Residential Resale Price*				
	November '08	October '08	% Change Oct '08 – Nov '08	November '07	% Change Nov '07 – Nov '08
Calgary	$384,200	$388,600	-1.1	$408,600	-6.0
Edmonton	$318,600	$317,700	0.3	$325,100	-2.0
Grande Prairie**	$290,600	$294,500	-1.3	$288,000	0.9
Lethbridge	$237,200	$249,500	-4.9	$239,500	-1.0
Medicine Hat	$233,700	$250,700	-6.8	$258,200	-9.5
Red Deer	$272,200	$269,500	1.0	$263,800	3.2
Wood Buffalo**	$678,900	$690,200	-1.6	$635,300	6.9

Value of property sales

- The value of total property sales for the year ending November 2008 was $21,392,336,886 (down 22 percent from the same period last year).
- Residential properties represent 87 percent ($18,674,695,341) of total property sales for the year ending November 2008.

Breakdown of Property Sales for the Year Ending November 2008



■ Residential Property (may also include condo & mobile homes) 87%
■ Non-Residential Property (includes commercial & agricultural properties) 13%

* Residential includes single family dwellings, condo and mobile homes.
** This figure denotes single family average price.

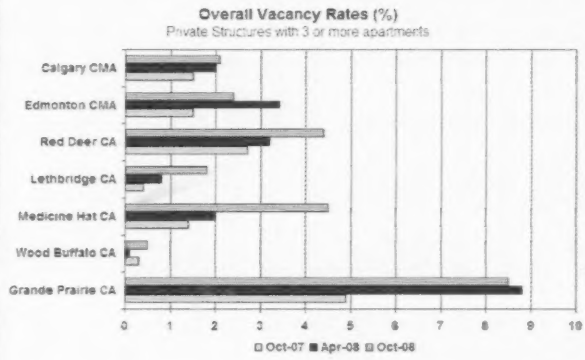
Source: Calgary Real Estate Board
The Realtors Association of Edmonton
Alberta Real Estate Association

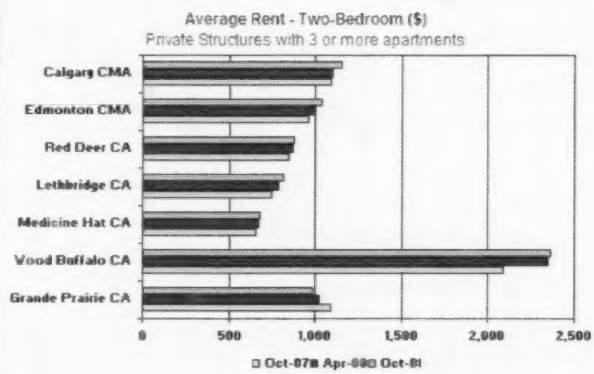
PRIVATE APARTMENT AVERAGE VACANCY RATES (%) BY BEDROOM TYPE

Centre	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom+			Overall Vacancy Rates		
	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07
Calgary	2.9	2.6	1.4	1.9	1.8	1.5	2.2	2.2	1.5	2.7	**	2.4	2.1	2.0	1.5
Edmonton	2.4	3.1	2.5	2.2	2.9	1.5	2.5	3.1	1.3	3.7	8.3	2.4	2.4	3.4	1.5
Grande Prairie	11.8	10.9	4.4	7.9	11.0	6.9	8.6	6.7	4.2	7.2	15.6	1.4	8.5	8.8	4.9
Lethbridge	1.4	0.0	0.0	2.9	1.8	0.3	1.2	0.4	0.4	1.3	0.0	0.0	1.8	0.8	0.4
Medicine Hat	3.8	0.0	0.0	4.9	1.6	1.3	4.0	2.1	1.6	6.7	3.5	0.9	4.5	2.0	1.4
Red Deer	5.7	5.3	3.4	3.7	3.0	2.9	4.9	3.2	2.6	2.2	2.9	0.7	4.4	3.2	2.7
Wood Buffalo	0.0	0.0	0.0	0.4	0.2	0.2	0.6	0.1	0.2	0.0	0.0	1.4	0.5	0.1	0.3
Alberta 10,000+	**2.8**	**3.1**	**2.2**	**2.3**	**2.6**	**1.6**	**2.7**	**2.7**	**1.5**	**3.4**	**6.1**	**2.1**	**2.5**	**2.9**	**1.6**

PRIVATE APARTMENT AVERAGE RENTAL RATES ($) BY BEDROOM TYPE

Centre	Bachelor			1 Bedroom			2 Bedroom			3 Bedroom+			Overall Rental Rates		
	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07	Oct '08	Apr '08	Oct '07
Calgary	775	658	688	951	919	897	1,148	1,096	1,089	1,063	1,031	1,046	1,031	992	974
Edmonton	707	682	658	847	837	784	1,034	1,000	958	1,170	1,039	1,060	930	908	859
Grande Prairie	717	761	802	825	903	952	987	1,025	1,087	1,140	1,166	1,266	933	979	1,041
Lethbridge	560	514	495	719	690	632	818	783	750	886	827	827	775	740	706
Medicine Hat	525	523	515	573	560	556	678	670	659	785	766	744	644	634	625
Red Deer	624	570	569	736	723	706	876	866	845	1,038	1,013	1,028	818	798	786
Wood Buffalo	1,444	1,406	1,263	1,829	1,858	1,724	2,360	2,350	2,085	2,468	2,536	2,263	2,190	2,193	1,968
Alberta 10,000+	**718**	**673**	**666**	**887**	**873**	**831**	**1,077**	**1,049**	**1,011**	**1,154**	**1,072**	**1,096**	**975**	**953**	**913**





** Data suppressed

Source: Rental Market Report – Alberta Highlights – Spring 2008 and Fall 2008, Canada Mortgage and Housing Corporation (CMHC)